

*Statement of*

**Mr. Steve McDonald**

*On behalf of the*

**Specialty Equipment Market Association (SEMA)**

*to*

**H.B. 5467**

*Regarding*

**Motor Vehicle Registration Classifications**

*Before the*

**Michigan House Tourism, Outdoor Recreation and Natural  
Resources Committee**

December 4, 2007

Headquarters: P.O. Box 4910, Diamond Bar, Calif. 91765-0910  
Telephone: 909/396-0289 • Fax, general office: 909/860-0184 • Fax, publications: 909/860-1709  
SEMA 1317 F Street N.W., Ste. 500, Washington, D.C. 20004  
Telephone: 202/783-6007 • Fax 202/783-6024



I appreciate the opportunity to offer testimony in support of Michigan House Bill 5467, legislation to amend the law relative to the titling and registration of street rods and custom cars. This legislation goes far in acknowledging the immeasurable time, money and creativity automotive hobbyists, especially street rod and custom car owners, invest in their cars.

Based on SEMA model legislation, similar bills have been enacted in Washington State (1999), California (2001), Illinois (2002), Missouri (2004), Hawaii (2004), Rhode Island (2004), Montana (2005), Maine (2005), Colorado (2006), Virginia (2007), Arkansas (2007), Nevada (2007) and Florida (2007). New York, Wyoming, New Hampshire, Kansas, Iowa, Ohio and Pennsylvania are also considering this legislation.

Representing the \$37 billion specialty automotive industry, SEMA is a trade association made up of approximately 7,000 mostly small businesses in Michigan and nationwide that manufacture, rebuild, distribute and retail parts and accessories for motor vehicles. The products produced by SEMA member companies include performance, functional, restoration and styling enhancement products for use on passenger cars, trucks and special interest vehicles, like the ones targeted by this bill. Its market is the many Michigan constituents that collect, restore and drive motor vehicles. ***Michigan vehicle enthusiast groups, including the Michigan Hot Rod Association - founder of the Autorama Car Show and the leading state-wide organization dedicated to the hot rodding hobby - overwhelmingly support this legislation. Related businesses, including Hagerty Insurance of Traverse City, Michigan – the leading insurer in Michigan of street rod, custom, classic and antique motor vehicles – also support this bill.***

H.B. 5467 provides specific registration classes and license plates for street rods and customs; provides that vehicles titled and registered as street rods and custom vehicles may only be used for occasional transportation, exhibitions, club activities, parades, tours, etc. and not for general daily transportation; provides that a replica vehicle will be assigned the same model year designation as the production vehicle it most closely resembles; and exempts street rods and custom vehicles from certain equipment requirements. It is fair and simple legislation and deserves your support.

For many vehicle enthusiasts in Michigan and throughout America, building, maintaining and enjoying their vehicles is a favorite pastime. This legislation represents an opportunity to acknowledge their commitment to the hobby and to protect it for future generations. As market trends come and go it seems the street rod and custom car segment remains a consistently “hot” segment of the automotive aftermarket. Participants on both sides of the counter are driven by passion and enthusiasm. After all, what could be better than going for a cruise in a shiny deuce coupe on a Saturday morning? To the Michigan citizens this bill would most benefit, not much.

So what exactly are street rods and custom cars and what are the differences between the two? The street rod group is made up of vehicles with body types from manufacture years prior to 1949. Unlike antiques or vehicles found in the restoration niche, street rods have been altered with new equipment and usually take advantage of the many technological

advances and upgrades. Street rod builders also commonly use other make or model components to tweak existing parts. Although custom cars are modified with similar materials as street rods, there is a key difference: customs were built from 1949 through the present day. Some of the most popular cars ever built fit into this class, most prominently the legendary Ford Mustang and Chevy Camaro, as well as the Shelby Cobra replicas that have become a must have for many American enthusiasts.

According to a recent survey, manufacture sales of street rod and custom car specialty equipment products reached \$260 million, while retail sales hit the \$636 million mark. These numbers represent a growing market niche in the specialty equipment industry. The growth of the street rod and custom car market can in part be attributed to America's fascination with its own recent history. Through music videos from groups such as ZZ Top, TV Shows like "Home Improvement" and movies like "American Graffiti," street rods and customs have become a vital part of our popular culture. These vehicles are the same crowd pleasers that participate in exhibitions and as parade vehicles, and whose owners regularly contribute to charities and civic events. For the most part, these vehicles are pampered and coddled, buffed and shined and meticulously cared for. They are the pride and joy of those who own them.

Again, we request your support for this pro-hobbyist and pro-business legislation. Thank you for your consideration.

If you have any questions, or require additional information please feel free to contact me by phone at 202/783-0864 or by e-mail at [stevem@sema.org](mailto:stevem@sema.org)

Sincerely,

Steve McDonald  
SEMA Vice President, Government Affairs